

## **Towards a Meaningful Social Policy Agenda**

Social policy has always been a priority in the social-economic agenda of a nation. In Malaysia, this was put in place since its Independence in 1957. Throughout these years, appropriate policies were formulated, and programmes and strategies were also implemented in the context of new developments taking place within and outside the country. The government has achieved considerable progress even in the absence of an integrated single social policy similar to industrial policy or agriculture policy. However, our social policy includes several highly important areas such as education, health and labour. Much of these are directed towards the creation of an educated, healthy and skilled as well as a prosperous society, each having its very own set of objectives and programmes. As more than one ministry or agency are involved in dispensing social benefits, they tend to overlap with one another. The most prominent of these forms of social policy are contained in the five-year development plan documents. In these plans, socio-economic benefits to the poor and low-income group have received due attention.

To-date, the government is in the midst of exploring the formulation of a single social policy. Nonetheless, the importance of social development in the country can be seen in the increasingly upward trends in the federal government allocation, rising from a mere 17.7 per cent in the Second Malaysia Plan (2MP, 1971-1975) to 34.1 per cent in the Eight Malaysia Plan (2MP, 2001-2005). Under the 1MP, the primary objective was to achieve economic growth with the expectation that growth would ultimately have a spillover effect so that the poor and the lower income group would also benefit from economic growth.

The road to achieving our long-term vision of becoming a developed country by the year 2020, with a plural society that can live together in harmony, is not an easy one. Along its way, despite many successes, we must acknowledge shortcomings and find optimal solutions. It was in the 2MP that the government broadened its development goals, following the 1969 post-election racial disorder. The two-pronged objectives of poverty eradication irrespective of race and the

restructuring of society to eliminate the identification of race with economic functions promulgated into the New Economic Policy (NEP), were formulated to solve ethnic and regional imbalances with national unity in mind. These objectives were to be achieved in the context of rapidly growing and expanding economy so that no one would experience any sense of loss of rights, privileges and opportunities. This became the expressed policy of the government and formed the basis of the 2MP and the longer-term 20 year First Outline Perspective Plan (OPP1, 1971-1990). This reflected the pragmatic rethinking of desirable strategies for national unity through social integration and more equitable distribution of income and opportunities. The government extended its traditional role in the economy by being a direct and active participant in commerce and industry.

There is no denial that the government has done and achieved much in alleviating poverty as it is difficult to eradicate it completely. The country should be proud that poverty, measured by household income earning, has declined considerably to below 10 per cent today. The country entered into another phase of economic development with the National Development Policy (NDP), not having fully accomplished the goals of the NEP. The OPP2 (1991-2000), based on the NDP, was formulated. This time the emphasis is largely on balanced development, with an accent on increasing the application of science and technology (S&T), expanding research and development (R&D) and human resource development (HRD) so that technology, entrepreneurship, and the quality of labour and management could be improved to boost productivity. This would further assist in accelerating the process of eradicating poverty and restructuring society in order to correct social and economic imbalances, a process disrupted by the recession of the mid-eighties.

The NDP, however, has broader perspectives. It shifted from the anti-poverty strategy towards the eradication of hardcore poverty while at the same time reducing relative poverty. It focuses on the rapid development of an active Bumiputra commercial and industrial community (BCIC) as an effective strategy to increase the Bumiputra participation in the modern sectors of the economy. It

relies on the private sector as the engine of growth with social restructuring, creating greater opportunities for growth. And finally, it counts on HRD as a fundamental requirement for achieving the objectives of growth and distribution.

Again, the framework for achieving the socio-economic objectives requires a rapidly expanding economy, growing at an average rate of 7 per cent per annum in real terms. Its accomplishment will be primarily through accelerated industrial development based on an export-oriented manufacturing sector. Foreign direct investment (FDI) will continue to play an important role as in the past. The private sector will continue to be the main driver of growth in the economy.

The financial crisis of 1997 has once again disrupted the development efforts of the authorities. The National Vision Policy (NVP, 2001-2010) which incorporated the development thrusts of all past development policies was launched in early 2001 with the overriding objective of national unity. It is aimed at creating a united, progressive and prosperous Bangsa Malaysia that thrives in harmony and work in partnership with one another. Vision 2020 has become the foundation for planning the country's future. It stresses the importance of total development premised on the Malaysian concept of development whereby the creation of a caring society and a culture based on strong and resilient family ties, to protect individuals from the negative effects of development more effectively than the current social security system would.

The above development policies have brought about significant changes over time with improvements in socio-economic well being. In this context, society's expectations are constantly changing beyond socio-economic terms, as people have become increasingly aware of their rights, which can no longer be taken for granted by policy planners. This awareness of rights is undeniably the most outstanding success of the social policy implemented over the years. Further improvements are required, perhaps, in dispensing the socio-economic benefits with a higher degree of transparency and accountability, in addition to the quantum. The dependence on the government alone for social-economic benefits will be less feasible in the future, now that the private sector has become the main driver of growth. The private sector is also expected to play a larger role to

complement government efforts and initiatives in delivering these benefits. The public and private sector should work hand-in-hand in establishing alliances to dispense benefits to society at large. In addition, the target beneficiaries need to play an active role to ensure a successful implementation of social policy. They should create an environment that is conducive to spur rapid economic growth and development in the country through social harmony, increased productivity and efficiency and the spirit of entrepreneurship, in addition to good values and attributes.